

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1919
101ST GENERAL ASSEMBLY

4418H.04C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to tax credits for urban farms.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be
2 known as section 135.1610, to read as follows:

135.1610. 1. As used in this section, the following terms mean:

2 **(1) "Eligible expenses", expenses incurred in the construction or development of**
3 **establishing or improving an urban farm in an urban area. The term "eligible**
4 **expenses" shall not be construed to include any expense for labor or any expense**
5 **incurred to grow medical marijuana or industrial hemp;**

6 **(2) "Tax credit", a credit against the tax otherwise due under chapter 143,**
7 **excluding withholding tax imposed under sections 143.191 to 143.265;**

8 **(3) "Taxpayer", any individual, partnership, or corporation as described under**
9 **section 143.441 or 143.471 that is subject to the tax imposed under chapter 143,**
10 **excluding withholding tax imposed under sections 143.191 to 143.265, or any charitable**
11 **organization that is exempt from federal income tax and whose Missouri unrelated**
12 **business taxable income, if any, would be subject to the state income tax imposed under**
13 **chapter 143;**

14 **(4) "Urban area", an urbanized area as defined by the United States Census**
15 **Bureau;**

16 **(5) "Urban farm", an agricultural plot or facility in an urban area that produces**
17 **agricultural products solely for distribution to the public by sale or donation. "Urban**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 farm" shall include, but not be limited to, community-run gardens. "Urban farm" shall
19 not include personal farms or residential lots for personal use.

20 2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state
21 tax liability in an amount equal to fifty percent of the taxpayer's eligible expenses for
22 establishing or improving an urban farm that focuses on food production.

23 3. The amount of the tax credit claimed shall not exceed the amount of the
24 taxpayer's state tax liability in the tax year for which the credit is claimed, and the
25 taxpayer shall not be allowed to claim a tax credit under this section in excess of five
26 thousand dollars for each urban farm. However, any tax credit that cannot be claimed
27 in the tax year the contribution was made may be carried over to the next three
28 succeeding tax years until the full credit is claimed.

29 4. The total amount of tax credits that may be authorized under this section shall
30 not exceed two hundred thousand dollars in any calendar year.

31 5. Tax credits issued under the provisions of this section shall not be transferred,
32 sold, or assigned.

33 6. Any taxpayer who is granted a tax credit under this section and who uses the
34 urban farm for which a tax credit is issued for the personal benefit of the taxpayer
35 instead of for producing agricultural products solely for distribution to the public by
36 sale or donation shall repay the amount of all tax credits granted under this section to
37 the taxpayer.

38 7. The Missouri agricultural and small business development authority may
39 promulgate rules to implement the provisions of this section. Any rule or portion of a
40 rule, as that term is defined in section 536.010, that is created under the authority
41 delegated in this section shall become effective only if it complies with and is subject to
42 all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
43 chapter 536 are nonseverable, and if any of the powers vested with the general assembly
44 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul
45 a rule are subsequently held unconstitutional, then the grant of rulemaking authority
46 and any rule proposed or adopted after August 28, 2022, shall be invalid and void.

47 8. Under section 23.253 of the Missouri sunset act:

48 (1) The program authorized under this section shall automatically sunset on
49 December thirty-first six years after the effective date of this section unless reauthorized
50 by an act of the general assembly;

51 (2) If such program is reauthorized, the program authorized under this section
52 shall automatically sunset on December thirty-first twelve years after the effective date
53 of the reauthorization of this section;

54 **(3) This section shall terminate on September first of the calendar year**
55 **immediately following the calendar year in which the program authorized under this**
56 **section is sunset; and**

57 **(4) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit**
58 **properly issued before the program was sunset in a tax year after the program is sunset.**

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